

ALLOY
RESOURCES LIMITED

ASX Release

3 September 2019

Capital Structure

Alloy Resources Limited
ABN 20 109 361 195

ASX Code
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Unlisted Options
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Corporate Directory

Executive Chairman
Mr Andy Viner

Non-Exec Director
Mr Gary Powell

Non-Exec Director/Co Sec
Mr Kevin Hart

Company Details

Email
info@alloyres.com

Website
www.alloyres.com

Principal Office
Suite 8, 1297 Hay St
West Perth WA 6005

Postal & Registered Office
+61 (8) 9316 9100
Suite 6, 7 The Esplanade
Mt Pleasant WA 6153

Horse Well JV Gold Targets for Growth and Development

Highlights

- **Brownfields and greenfields prospects identified for project growth.**
- **High-grade shoot targets identified under 1km long Warmblood-Filly SW corridor. Mineralisation open beneath such intercepts as:**
 - *7m @ 7.79 g/t, 12.6m @ 6.75 g/t and 7m @ 22.49 g/t Au*
- **Palomino high-grade shoot inadequately tested at depth, beneath best intercepts of:**
 - *4m @ 10.85 g/t, 4m @ 12.49 g/t Au*
- **Warmblood mineralised structure open along strike to the North and South.**
- **Bronco prospect - 400 metre strike drilled in wrong direction. Rare true width intersections encouraging;**
 - *10 metres @ 3.48 g/t, 10 metres @ 21.4 g/t, 19m @ 1.77 g/t Au*
- **Colt and Pony prospects – historical shallow vertical RAB/AC drilling ineffective.**

Summary

Australian Gold explorer **Alloy Resources Limited (ASX:AYR) (Alloy or the Company)** provides the following update in regards to exploration activities at the Horse Well Gold Project Joint Venture (“**Horse Well**”) (Alloy 51%; Silver Lake Resources Limited 49%). The Company is currently sole funding exploration to earn up to 60% in the Project.

Following completion of revised geological models and Mineral Resource estimates for the larger advanced prospects at Horse Well, the Company has identified the potential for delineation of extensions to, and/or repetitions of gold mineralisation within the project.

At the Horse prospects area orebodies are found to be relatively narrow ribbon-like structures with high-grade shoot development. The potential for underground exploitable style mineralisation below known deposits is regarded as very high, considering the limited historical exploration below the fresh rock interface.

The sub-vertical nature and high-grade shoot style of mineralisation was not adequately understood during the historical 1990’s exploration. A number of prospects were ineffectively drilled by vertical or inclined north-south directed drilling which would not have been able to adequately test mineralisation within these structures.

Applying the findings of the review of the revised geological models to regional greenfields prospects suggests that ‘low grade’ gold intersections from the widely spaced drilling are high priority areas for new discoveries.

The Horse Well Project is located within trucking distance to a number of local third party gold processing plants which, in the current gold price environment, justifies active advancement of brownfields gold prospects in parallel with testing more greenfields targets.

Mining and Miscellaneous licence applications are being planned for lodgement.

Brownfields prospects

The Horse Prospect area is the most advanced portion of the project area, where a cluster of gold mineralised structures have been defined containing total combined Inferred Mineral Resources of 2.225 million tonnes @ 2.10 g/t for 148,100 ounces of contained gold (Figures 1 and 2). Refer ASX releases dated 26 August 2019 and 11 April 2019

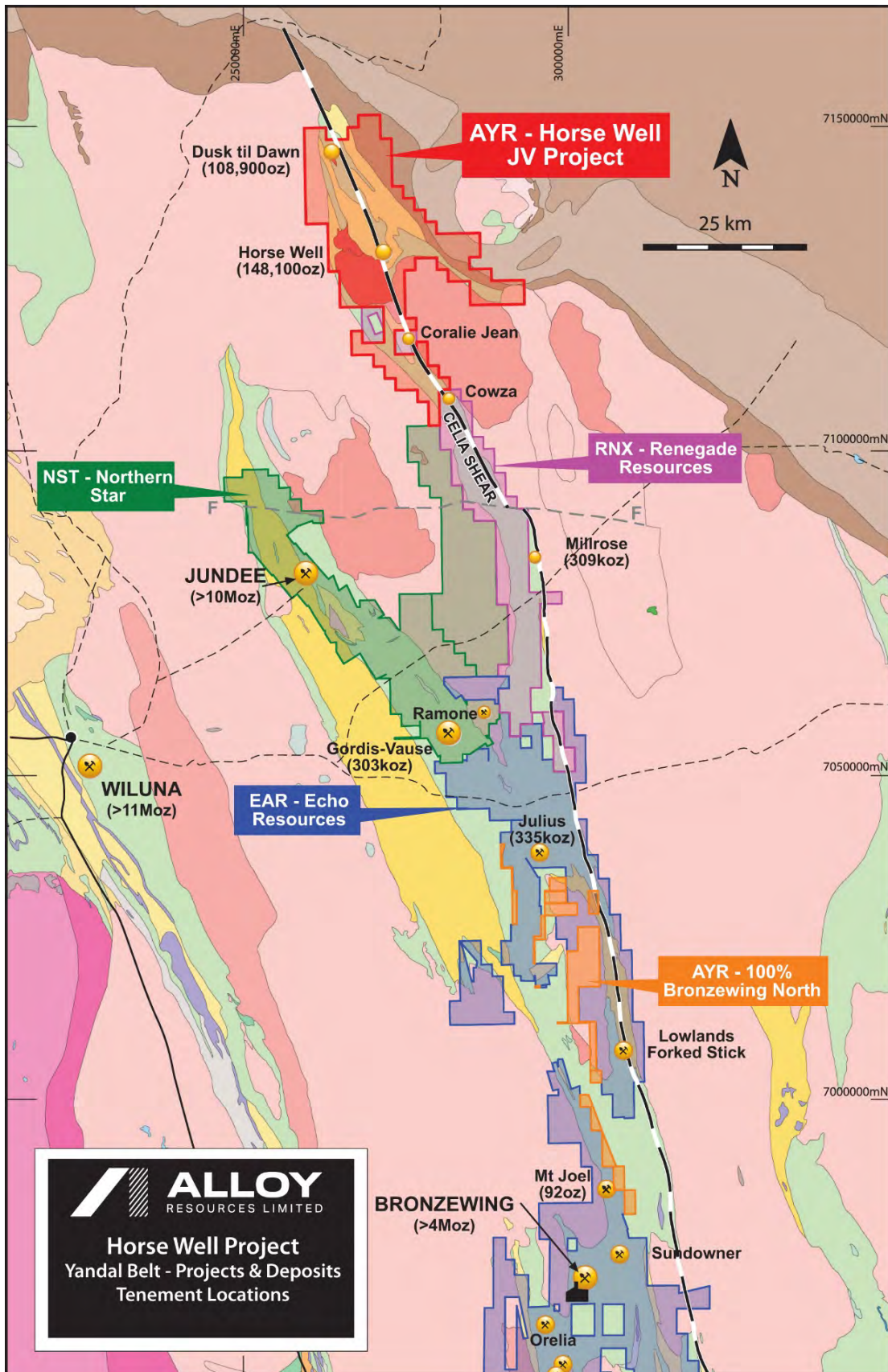


Figure 1 Horse Well Project location on regional geology

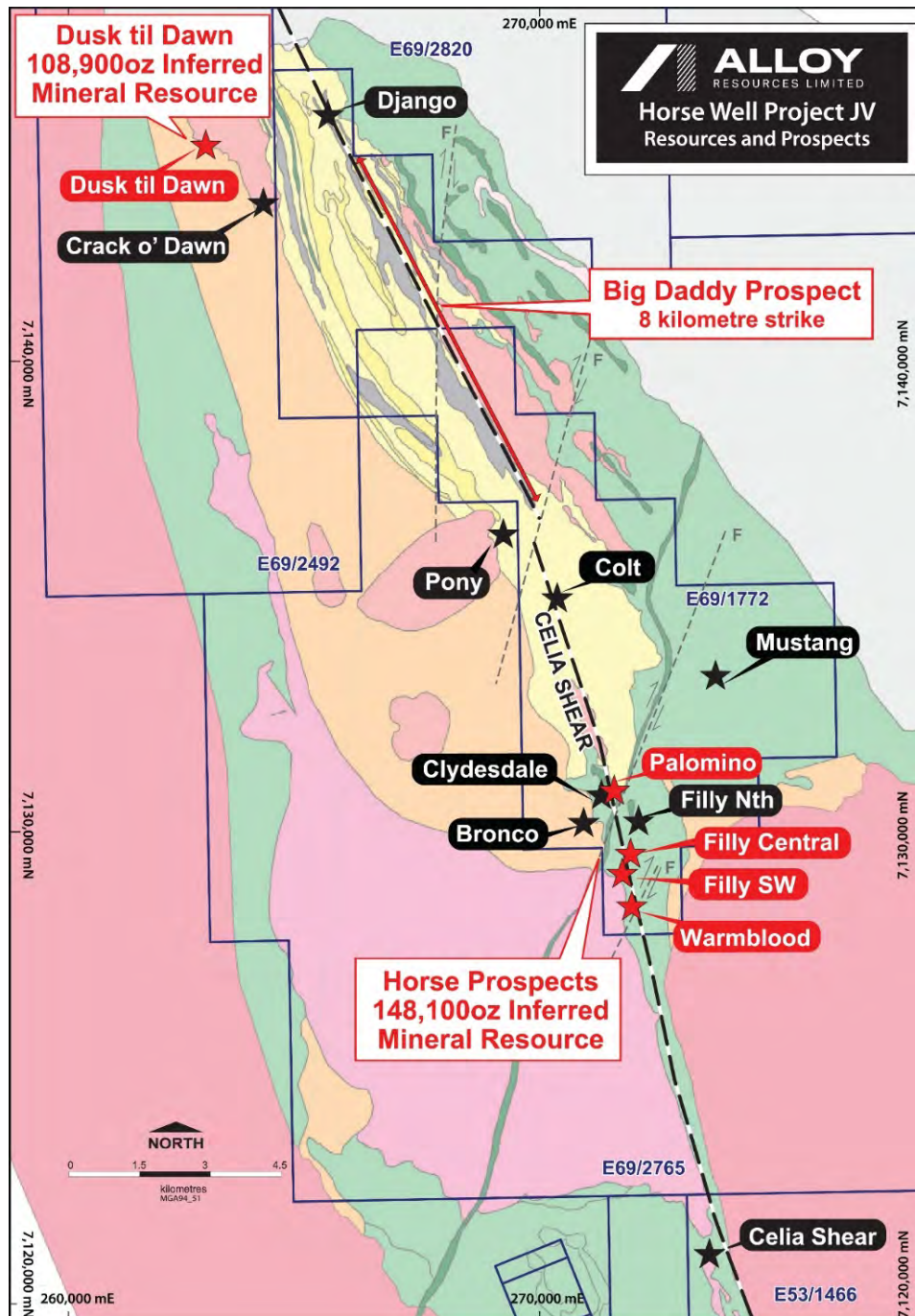


Figure 2 Horse Well JV Prospects on Geology

Palomino and Warmblood Resources

The Palomino and Warmblood structures are very similar in nature and are interpreted to be associated with shear zones parallel to the regionally significant Celia Fault. Early deformation of the supracrustal rocks has resulted in subvertical, tightly folded geological units, and later gold mineralisation is typically characterised by similarly orientated sub-vertical zones of 1 to 15 metres in width. Figure 3 which shows the extent of drilling at these prospects, showing distribution of mineralisation on geology.

There is generally one main structure at the prospects as well as subordinate parallel and splay structures and enechelon repeats of structures. This geometry for the mineralisation is best described as ribbon-like with flexures both along strike and down dip.

At Palomino sufficient drilling is present to indicate a northerly 40 degree plunge of higher grade mineralisation. This orientation has limited drill definition at depth and offers an excellent target as shown on the Figure 4 long section (for assays refer to ASX release on 26 August 2019).

At Warmblood and Filly SW, which are situated within one mineralised structure extending over a 1 kilometre strike, we can also interpret, from drilling, this same northerly plunging shoot development as shown on Figure 5. Once again very few holes have been drilled into fresh rock, offering a compelling exploration target at depth (refer to ASX releases on the 11 April 2019 and 26 June 2018).

The Warmblood structure has a central area where infill drilling is required to complete RC coverage and also remains open to both the north and south where limited effective air-core drilling has been completed.

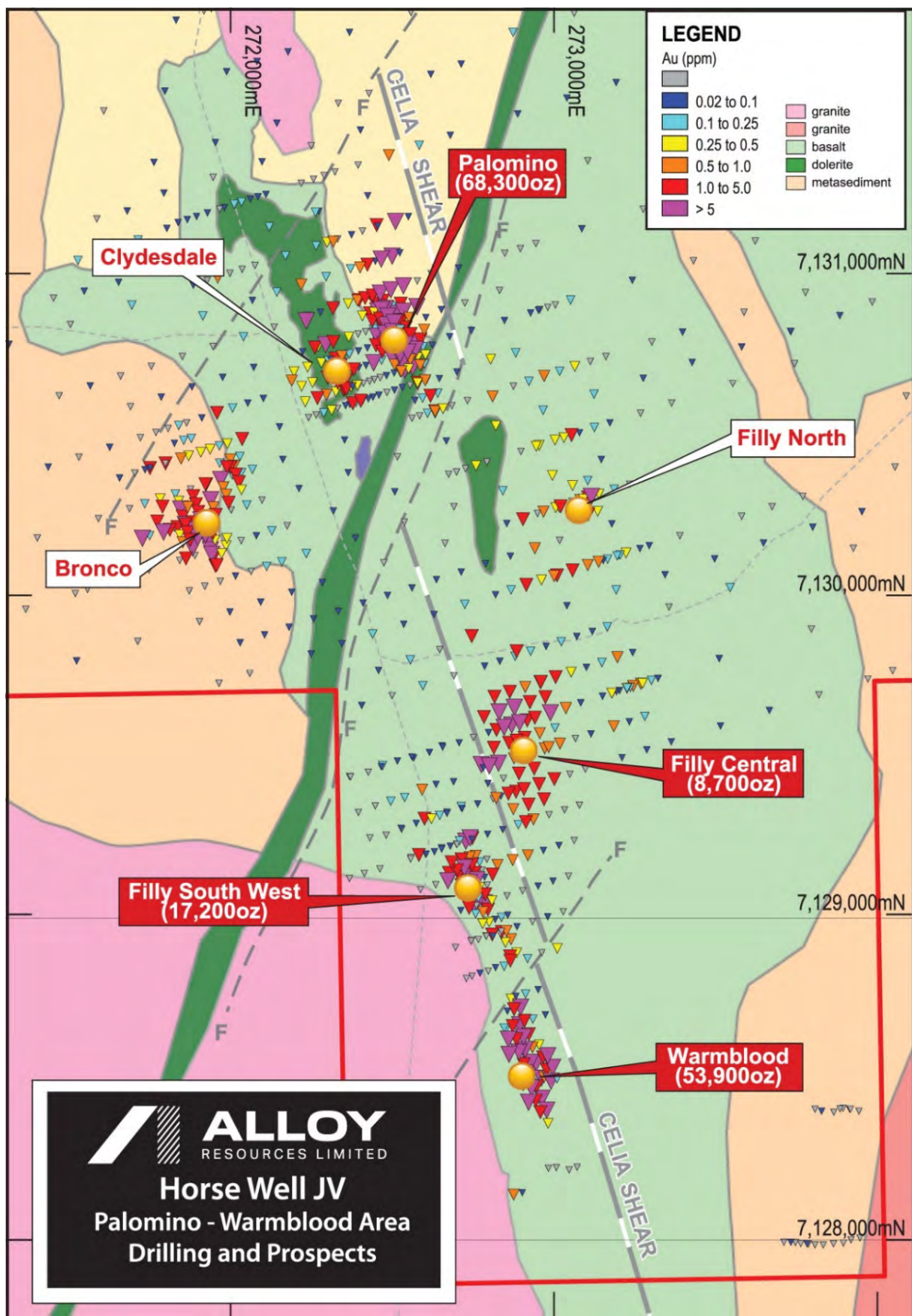


Figure 3 Palomino and Filly SW prospect drill hole locations

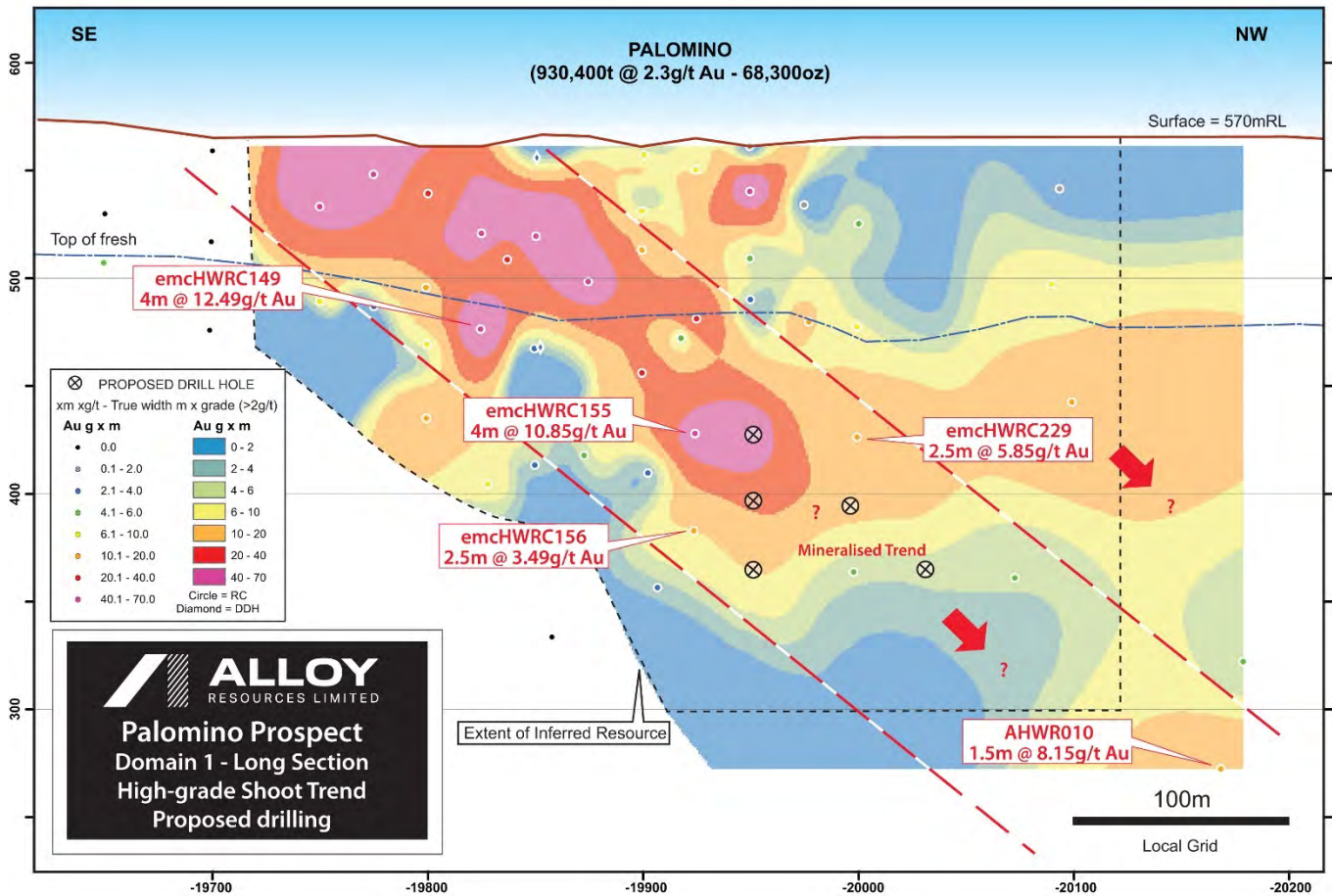


Figure 4 Palomino Long Section – gram x metre contours from >0.3 g/t Au mineralised envelope, and true width > 2 g/t Au intersections

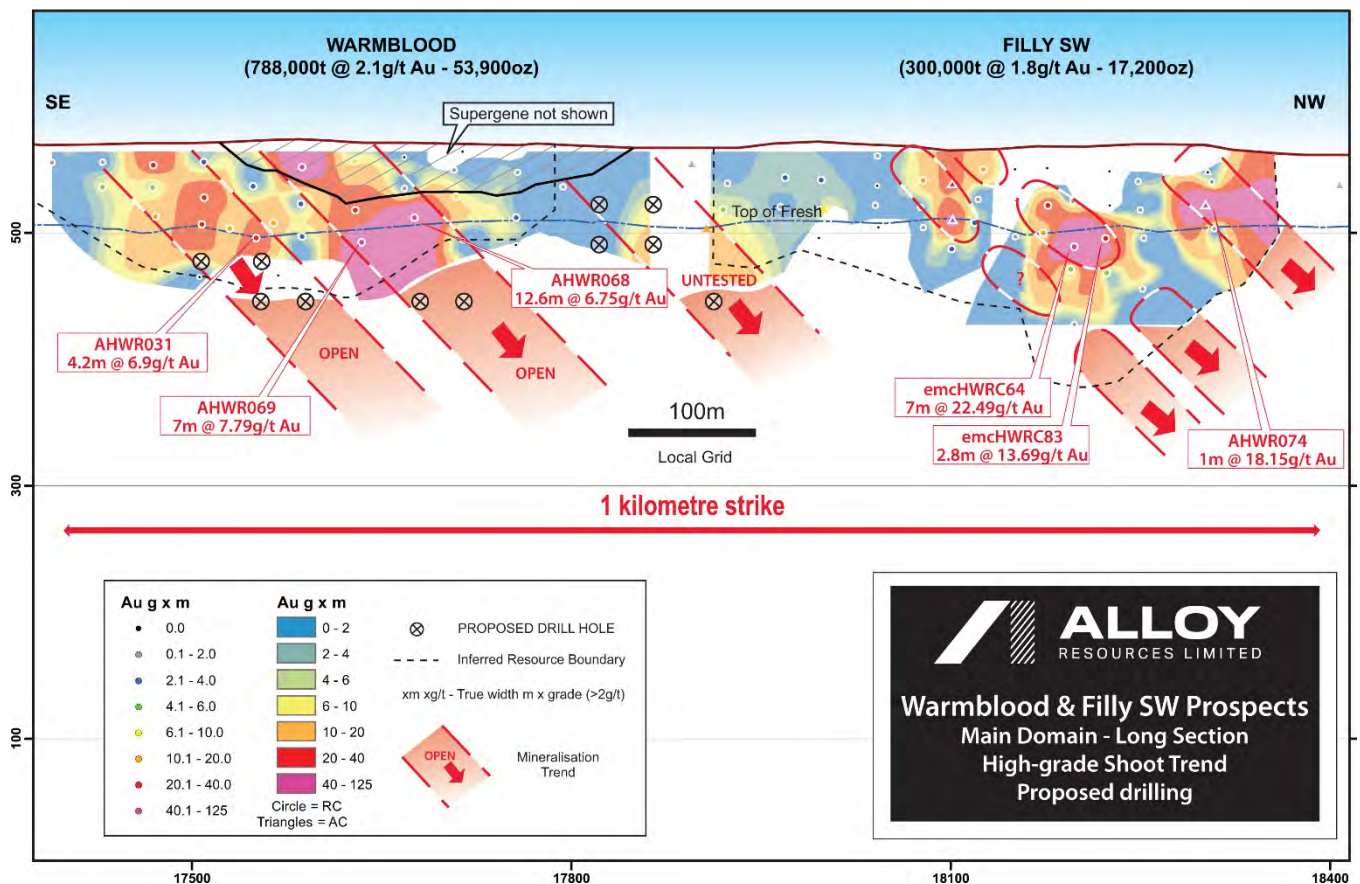


Figure 5 Warmblood to Filly SW Long Section – gram x metre contours from >0.3 g/t Au mineralised envelope, and true width > 2 g/t Au intersections

Bronco Prospect

The Bronco prospect was drilled in the 1990's at the same time as the Palomino deposit was discovered. Since then no further drilling has been completed. It appears that the original work was uncertain about the orientation of mineralisation as the majority of holes were drilled azimuth to the north, and then some later holes were drilled to the east and north-east.

When the new geological model for Warmblood and Palomino is applied to the Bronco prospect it is very likely that similar sub-vertical narrow mineralised structures can be interpreted through the current drill information as shown on plan (Figure 6) and cross section (Figure 7). Given the plunging shoot style, it is highly unlikely that the drilling completed has adequately defined the mineralisation and a number of intersections, from the only section drilled with the correct east azimuth, highlights the interpreted potential (full results in Appendix 1 below);

- **10 metres @ 3.48 g/t Au** from 229 mdh in gcmHWRC251, including **2m @ 12.39 g/t Au** from 234 mdh.
- **10 metres @ 21.4 g/t Au** from 23 mdh, and **19m @ 1.77 g/t Au** from 88 mdh in emcHWRC72.

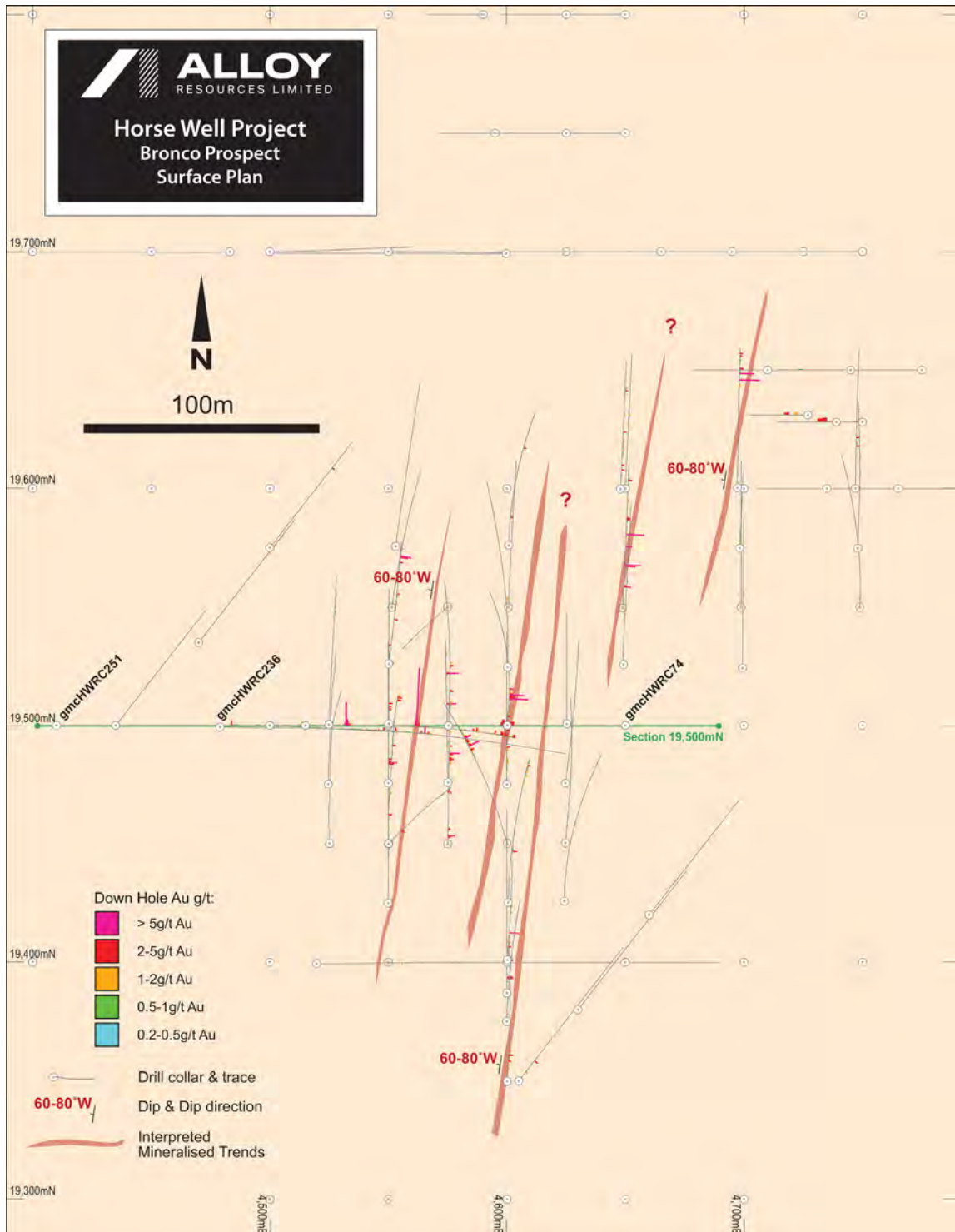


Figure 6 Bronco surface plan showing drilling and interpreted mineralisation trends

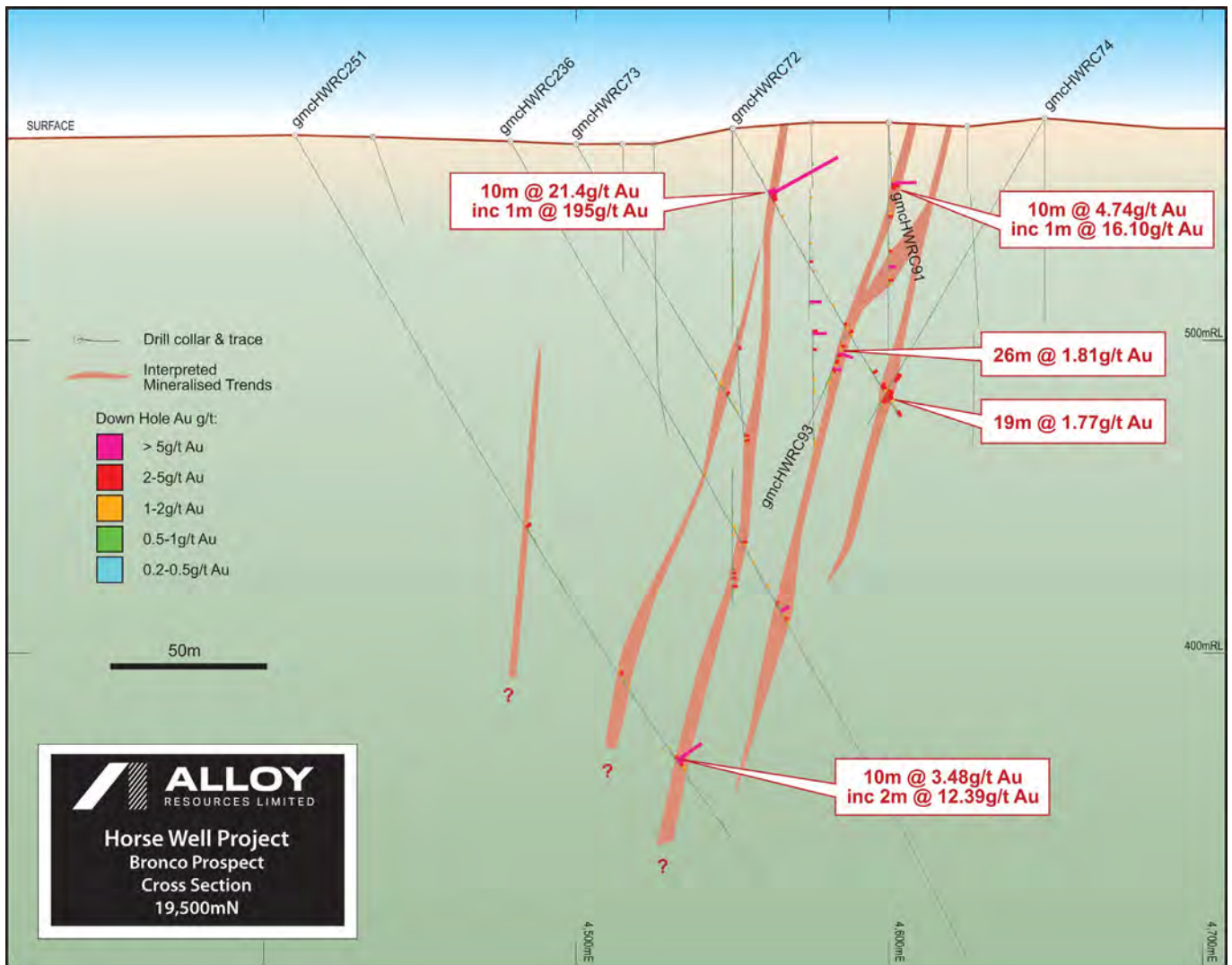


Figure 7 Bronco cross section showing interpreted mineralisation trends and >0.5 g/t Au intersections

Colt and Pony

The Colt and Pony prospects are located to the north-west of the Horse prospects (Figure 8). Mineralisation at both prospects was located by vertical RAB and Air-core drilling during the early discovery stage of the project in the 1990's (refer to WAMEX report a047407).

Using the current geological models we can see that this drilling, even on a 100m x 50/100m drill pattern, was ineffective for delineating sub-vertical ribbon style mineralisation with plunging shoots.

At Colt, anomalous intersections extend over 800 metres with only one drill section tested by three wide spaced deeper angled RC drilling. At the Pony prospect, anomalous intersections extend over 400 metres and mineralisation is not closed off further north.

A program of overlapping angled air-core drilling across both prospects, on 80 metre sections, should quickly define the potential of the mineralisation in these areas.

Greenfields Prospects

Big Daddy Area

The Big Daddy prospect area is located north of the Colt and Pony prospects and may have very similar geology and mineralisation to the Horse prospects. In particular the Celia Fault structure is interpreted to extend through this area and be offset by late stage north-east faults (Figure 8)

A program of infill angled air-core drilling in the southern Big Daddy area should quickly locate any significant gold mineralisation. The broader area may also be prospected by soil sampling however an orientation survey is needed to validate the effectiveness in areas comprising shallow transported cover.

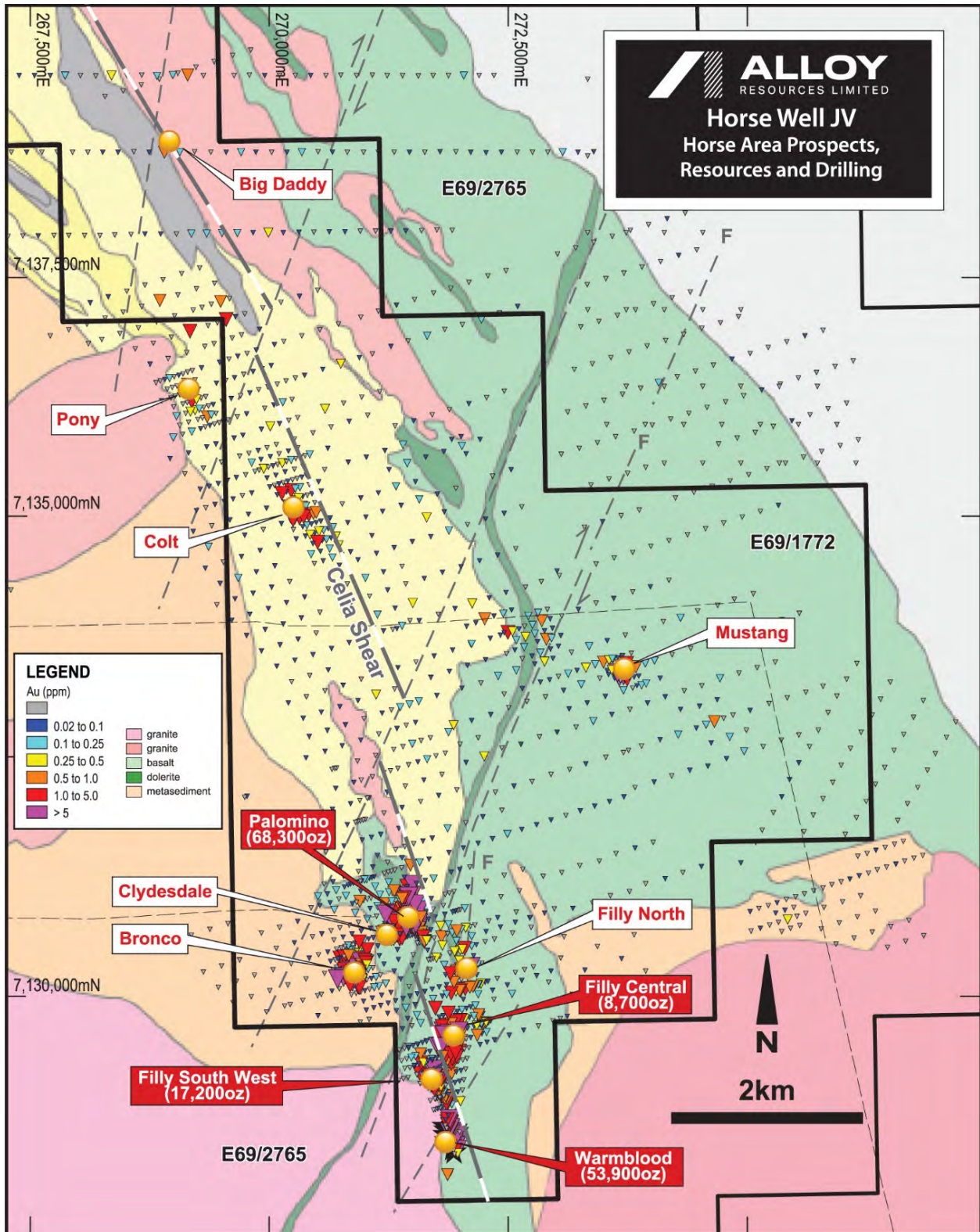


Figure 8 Colt, Pony and Big Daddy prospect drill hole locations

For more information contact:

Andy Viner
Executive Chairman

Phone: +61 8 9316 9100

Email: info@alloyres.com

Competent Person's Statements

Information in this report which relates to Exploration Results is based on information compiled by Andrew Viner, a Director of Alloy Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy, Mr Viner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Viner consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Viner is a shareholder and option holder of Alloy Resources Limited

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. Where the Company refers to Mineral Resources in this report (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate with that announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not materially changed from the original market announcement.

Combined Horse Well Inferred Resources as at August 2019.

Year	Area	Category	Tonnes	Grade (g/t)	Ounces
2015	Filly	Inferred	206,000	1.3	8,700
2019	Warmblood	Inferred	788,000	2.1	53,900
	Palomino	Inferred	930,400	2.3	68,300
	Filly SW	Inferred	302,400	1.8	17,200
	Dusk til Dawn	Inferred	3,495,600	1.0	108,900
COMBINED TOTAL		Inferred	5,722,400	1.4	257,000

Refer ASX releases dated 26 August and 11 April, 2019

APPENDIX 1

Table 1 Bronco RC Drill Holes - Significant Intersections (>0.5 g/t, minimum 2m width and maximum 2m internal dilution).

Hole_ID	Depth From	Depth To	Interval Width	Grade g/t Au
emcHWRC72	18	20	2	0.71
emcHWRC72	23	33	10	21.14
emcHWRC72	65	67	2	0.89
emcHWRC72	72	77	5	1.93
emcHWRC72	88	107	19	1.77
emcHWRC73	85	101	16	0.87
emcHWRC74	94	106	12	2.4
emcHWRC91	8	12	4	0.41
emcHWRC91	21	31	10	4.74
emcHWRC92	12	22	10	0.85
emcHWRC92	28	32	4	1.59
emcHWRC92	41	58	17	1.22
emcHWRC93	74	100	26	1.81
emcHWRC94	25	30	5	1.26
emcHWRC94	47	51	4	1.51
emcHWRC95	31	34	3	0.76
emcHWRC95	64	66	2	4.37
emcHWRC95	87	91	4	3.42
emcHWRC95	104	106	2	0.64
emcHWRC96	5	8	3	3
emcHWRC96	11	14	3	1.35
emcHWRC96	65	75	10	2.65
emcHWRC96	80	84	4	0.96
emcHWRC96	89	97	8	0.79
emcHWRC96	113	117	4	1.21
emcHWRC98	45	48	3	0.77
emcHWRC98	53	55	2	0.6
emcHWRC98	115	117	2	1.77
emcHWRC99	41	43	2	1.36
emcHWRC99	79	84	5	0.96
emcHWRC99	87	91	4	0.63
emcHWRC99	112	117	5	2.05
emcHWRC100	89	94	5	0.52
emcHWRC100	102	106	4	0.91
emcHWRC103	22	24	2	1.92
emcHWRC103	78	82	4	1.48
emcHWRC104	110	113	3	0.63
emcHWRC112	16	18	2	1.16
emcHWRC112	42	48	6	1.36
emcHWRC112	107	121	14	1.05
emcHWRC114	10	17	7	0.75
emcHWRC114	20	23	3	1.91
emcHWRC116	10	15	5	1.14
emcHWRC116	20	25	5	2.18
emcHWRC116	32	36	4	0.36

emcHWRC116	46	49	3	1.05
emcHWRC118	20	22	2	0.64
emcHWRC121	20	24	4	1.34
emcHWRC121	42	45	3	5.55
emcHWRC122	38	40	2	1.86
emcHWRC122	52	55	3	0.87
emcHWRC122	59	63	4	1.23
emcHWRC122	91	95	4	0.97
emcHWRC123	61	63	2	1.4
emcHWRC124	27	40	13	0.77
emcHWRC124	45	49	4	1.11
emcHWRC124	60	65	5	0.7
emcHWRC124	84	89	5	1.43
emcHWRC125	14	19	5	1.84
emcHWRC125	33	37	4	6.14
emcHWRC125	60	67	7	2.64
emcHWRC125	70	76	6	1.75
emcHWRC125	87	89	2	1.31
emcHWRC125	104	106	2	1.89
emcHWRC127	83	113	30	1.65
emcHWRC130	59	61	2	1.32
emcHWRC131	35	39	4	1.63
emcHWRC132	61	65	4	0.6
emcHWRC132	109	112	3	0.64
emcHWRC167	66	69	3	0.51
emcHWRC167	76	79	3	3.04
emcHWRC168	42	45	3	0.5
emcHWRC221	39	41	2	0.63
emcHWRC221	45	53	8	0.71
emcHWRC221	61	64	3	0.44
emcHWRC221	70	75	5	1.04
emcHWRC221	114	128	14	1.65
emcHWRC221	140	142	2	0.57
emcHWRC221	162	170	8	1.35
emcHWRC222	9	16	7	1.72
emcHWRC222	26	39	13	1.19
emcHWRC226	112	115	3	0.69
emcHWRC228	9	11	2	1.28
gcmHWRC236	110	118	8	0.47
gcmHWRC236	141	161	20	0.85
gcmHWRC236	169	179	10	1.69
gcmHWRC237	67	73	6	0.62
gcmHWRC237	105	107	2	0.62
gcmHWRC251	144	152	8	1.22
gcmHWRC251	165	167	2	0.82
gcmHWRC251	200	212	12	0.96
gcmHWRC251	229	239	10	3.48
gcmHWRC251	259	262	3	0.85

Table 2 Bronco RC Drill Holes - Collar File

Hole_ID	Max_Depth	MGA Easting	MGA Northing	RL	Local Easting	Local Northing	Dip	MGA Azimuth	Local Azimuth
emcHWRC72	107	270,855	7,130,220	568	4,550	19,500	-60.00	75.0	93.0
emcHWRC73	105	270,807	7,130,204	563	4,500	19,500	-60.50	75.0	93.0
emcHWRC74	113	270,950	7,130,250	571	4,650	19,500	-60.00	252.0	270.0
emcHWRC75	107	270,746	7,130,395	562	4,500	19,700	-58.25	71.0	89.0
emcHWRC76	95	270,794	7,130,410	562	4,550	19,700	-59.00	71.0	89.0
emcHWRC91	110	270,903	7,130,235	570	4,600	19,500	-61.25	343.0	1.0
emcHWRC92	117	270,910	7,130,211	567	4,600	19,475	-60.00	341.0	359.0
emcHWRC93	117	270,918	7,130,188	567	4,600	19,450	-60.50	324.0	342.0
emcHWRC94	111	270,879	7,130,227	570	4,575	19,500	-59.25	342.0	0.0
emcHWRC95	117	270,886	7,130,204	568	4,575	19,476	-60.25	341.0	359.0
emcHWRC96	117	270,894	7,130,180	566	4,575	19,450	-60.25	342.0	0.0
emcHWRC97	117	270,855	7,130,220	568	4,550	19,501	-58.50	342.0	0.0
emcHWRC98	117	270,862	7,130,196	565	4,550	19,476	-60.00	342.0	0.0
emcHWRC99	117	270,870	7,130,172	565	4,550	19,450	-59.75	340.0	358.0
emcHWRC100	117	270,831	7,130,212	563	4,525	19,500	-59.00	343.0	1.0
emcHWRC101	111	270,838	7,130,188	563	4,525	19,475	-59.75	345.0	3.0
emcHWRC102	117	270,847	7,130,165	564	4,525	19,450	-60.00	340.0	358.0
emcHWRC103	108	270,880	7,130,308	572	4,601	19,576	-59.00	345.0	3.0
emcHWRC104	117	270,888	7,130,283	572	4,601	19,550	-58.00	343.0	1.0
emcHWRC105	117	270,895	7,130,259	572	4,600	19,525	-58.00	342.0	0.0
emcHWRC112	123	270,926	7,130,164	566	4,601	19,425	-58.75	344.0	2.0
emcHWRC113	94	270,927	7,130,243	568	4,625	19,501	-60.00	342.0	0.0
emcHWRC114	117	270,949	7,130,092	567	4,600	19,350	-59.10	345.5	3.5
emcHWRC115	117	270,941	7,130,116	565	4,600	19,375	-59.90	345.3	3.3
emcHWRC116	94	270,933	7,130,141	565	4,600	19,401	-61.20	346.1	4.1
emcHWRC117	117	270,948	7,130,172	566	4,624	19,426	-58.80	343.9	1.9
emcHWRC118	117	270,941	7,130,195	566	4,625	19,450	-59.70	347.4	5.4
emcHWRC119	117	270,934	7,130,219	566	4,625	19,476	-58.60	349.0	7.0
emcHWRC120	117	270,835	7,130,293	569	4,553	19,576	-58.60	349.0	7.0

emcHWRC121	117	270,841	7,130,268	568	4,552	19,550	-59.60	349.8	7.8
emcHWRC122	117	270,847	7,130,245	565	4,550	19,526	-59.50	349.5	7.5
emcHWRC123	117	270,920	7,130,345	568	4,650	19,600	-59.80	344.8	2.8
emcHWRC124	117	270,918	7,130,345	568	4,648	19,600	-58.80	344.3	2.3
emcHWRC125	117	270,934	7,130,297	574	4,649	19,550	-59.60	345.1	3.1
emcHWRC126	117	270,942	7,130,274	571	4,649	19,526	-59.90	345.1	3.1
emcHWRC127	117	270,965	7,130,360	571	4,697	19,600	-60.70	342.9	0.9
emcHWRC128	117	270,973	7,130,336	573	4,698	19,575	-60.20	344.7	2.7
emcHWRC129	124	270,982	7,130,312	573	4,699	19,550	-60.00	342.0	360.0
emcHWRC130	117	270,990	7,130,288	572	4,699	19,524	-59.10	342.4	0.4
emcHWRC131	117	271,012	7,130,375	568	4,747	19,600	-59.90	343.0	1.0
emcHWRC132	117	271,021	7,130,351	571	4,748	19,575	-60.00	344.1	2.1
emcHWRC133	117	271,029	7,130,328	572	4,749	19,550	-60.10	344.3	2.3
emcHWRC167	83	270,870	7,130,172	565	4,550	19,450	-60.00	26.3	44.3
emcHWRC168	53	270,864	7,130,275	571	4,575	19,550	-60.10	210.8	228.8
emcHWRC221	221	270,878	7,130,148	567	4,550	19,425	-60.00	342.0	360.0
emcHWRC222	155	270,937	7,130,127	565	4,600	19,387	-60.00	342.0	360.0
emcHWRC223	125	270,984	7,130,177	566	4,660	19,420	-60.00	20.0	38.0
emcHWRC224	149	270,968	7,130,130	565	4,630	19,380	-60.00	20.0	38.0
emcHWRC225	113	270,785	7,130,276	561	4,500	19,575	-60.00	20.0	38.0
emcHWRC226	131	270,768	7,130,229	562	4,470	19,535	-60.00	20.0	38.0
emcHWRC227	125	270,745	7,130,185	565	4,435	19,500	-60.00	20.0	38.0
emcHWRC228	143	270,953	7,130,094	565	4,605	19,350	-60.00	20.0	38.0
gcmHWRC234	209	270,842	7,130,425	563	4,600	19,699	-60.45	250.8	268.8
gcmHWRC235	203	270,730	7,130,390	562	4,483	19,700	-60.85	251.8	269.8
gcmHWRC236	299	270,788	7,130,197	564	4,479	19,499	-59.84	72.7	90.7
gcmHWRC237	280	270,857	7,130,115	568	4,520	19,399	-59.29	72.3	90.3
gcmHWRC251	280	270,722	7,130,177	566	4,410	19,500	-60.00	72.0	90.0

JORC Code 2012 Edition Summary (Table 1) – Horse Well JV - Bronco Prospect historical drilling

Section 1 Sampling Techniques and Data (Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i> 	<ul style="list-style-type: none"> RC samples collected in sample bags every metre. Historical samples were riffle split by hand to obtain a 3kg sample for pulverising and subsampling for analysis. Where composite samples were taken spear sampling was utilised. Air Core samples collected in buckets for every metre and deposited in rows on the ground. Spear or trowel sampling of piles used for both 1m and 4m composite sampling.
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> At Bronco the drilling is mostly RC (44 holes for 4,961m) with 27 AC holes for 1,176m and 33 RAB holes for 1,488m. All RAB holes have been drilled by Eagle Mining during 1993-96, with RC holes being drilled by Great Central Mines and Eagle Mining between 1996 and 1999. Drilling is on 25m spaced N-S sections, and 100m spaced E-W sections and holes approximately 25m apart. Some other oblique sections were also drilled.
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> RC Drilling: sample splitter is cleaned at the end of each rod to ensure no sample hang-ups have occurred. Sample bag weights are recorded and in general should be approximately 3kg. Wet samples due to excess ground water were noted when present. There is no known relationship between recovery and grade.

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Holes logged to a level of detail to support future mineral resource estimation: lithology; alteration; mineralisation; structure, geotechnical (core only). • No sample chips were retained from historical holes • Qualitative: lithology, alteration, foliation • Quantitative: vein percentage; mineralization (sulphide) percentage; RQD measurement; structural orientation angles; assayed for gold; • No metallurgical testwork has been carried out. • All holes logged for entire length of hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Historical Reverse Circulation cuttings are sampled in one metre increments by riffle splitting and submitted for initial assay. Recent RC samples had four metre composite samples grab sampled and analysed. If >0.2 g/t Au received then original cyclone split 1 metre samples were assayed. • Sample condition (wet, dry or damp) is recorded at time of logging. All samples are geologically logged and a sample condition record is also kept. RC chip sample trays are retained. • Pulp duplicates taken at the pulverising stage and selective repeats conducted at the laboratories discretion. • Sample size appropriate for grain size of samples material.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> • Historical sampling and analysis appears to have met industry standard quality at the time. As the operator was mining at the nearby Jundee (Nimary) operation at the time, it can be inferred that practises were of a high standard. • No geophysical data was used.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • All sampling was reportedly inspected by senior geological staff. • Deliberate twinning and reverse azimuth drilling of drillholes has been carried out at the Bronco prospect. • Visual checks of historical data are completed within Surpac™ software by consultant geologists. • There have not been any adjustments to assay data used in the current report, nor has there been any previous evidence of this in documents viewed.
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Collars: Bronco historical holes surveyed by theodolite and edm in controlled survey area, • Downhole: historical surveyed with single shot downhole camera point surveys. • Holes are located in MGA94 Zone 51.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The Bronco area has been drilled on variable 100/50m x 25/50m spacing and includes 57 RC holes for a total of 7,364 metres. • Mineralisation at Bronco has insufficient geological and grade continuity to be appropriate for Mineral Resource and Ore Reserve estimation procedure(s) and classifications to be applied in the future. • Samples are on 1m length, with some 4m composites.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The orientation of key structures and any relationship to mineralisation at Bronco is preliminary and inferred using competent person experience and interpretation at this stage. • A large part of drilling is interpreted to be sub-parallel to mineralised structures. • It is likely that the drilling orientation has introduced a sampling bias.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • The data was originally maintained by Eagle Mining Corporation and forwarded to Normandy Jundee Operation.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • The Bronco prospect has been assessed to be similar in sample collection and analysis methodology to the other Prospects in the local area, some of which have been assessed in detail for Mineral Resource estimation, and found to meet good industry practise.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Bronco prospect is located within Exploration License E69/1772. Alloy has a 51% interest (earning 60%) in the tenements with Doray Minerals (now Silver Lake Minerals) holding a 49% interest. The Tenements are completely within land where the Wiluna People have been determined to hold non-exclusive native title rights. No historical, archaeological, ethnographic or environmentally sensitive sites have been identified in the area of the Prospect. The Project Tenements are in good standing with the WA DMP.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Exploration prior to Alloy and Doray Minerals in the region was minimal and limited to shallow RAB and air-core drilling completed in the mid – 1990s, all of which had been sampled, assayed, and logged and records held by the Company. This early work, including aeromagnetic data interpretation, was focused on gold and provided anomalous samples which have formed the basis for current exploration.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Horse Well is an Archean aged gold project with common host rocks and structures related to mesothermal orogenic gold mineralisation as found throughout the Yilgarn Craton of Western Australia.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Refer to Appendix 1 in the body of this announcement and previous releases by Alloy Resources and Doray Minerals during 2011 to current.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Length weighed averages used for exploration results are reported in Appendix 1 of this announcement. Cutting of high grades was not applied in the reporting of intercepts. No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The exact structural geometry of the mineralisation is not yet known due to insufficient diamond drilling in the targeted areas. Broad geological and mineralisation features have been interpreted from available drilling sections. It is interpreted that, using knowledge from adjacent prospect mineralisation, the drilling oriented to the north-south is likely to be sub-parallel to mineralisation and hence very poor for representation of true widths because of the sub-vertical nature of the mineralisation that may trend north-north-east and dip west. Based on the current information at Bronco, the section presented here appears to be approximately perpendicular to the strike of the structures targeted, and highlights where some holes may have drilled sub-parallel to the orientation of the structure/s. Downhole lengths are reported in Appendix 1 of this announcement.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> See Figures 1 to 8
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Comprehensive reporting of drilling details has been provided in Appendix 1 in this announcement.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> All meaningful and material information has been included in the body of the text No metallurgical assessments have been completed at the date of this report.

Criteria	JORC Code explanation	Commentary
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> The Company is planning future exploration programs which are likely to include a focus on defining the Bronco prospect area. More regional exploration will also be targetting new mineralisation at the regional, Colt, Pony, Big Daddy and Big Kahuna prospects. Future drilling will also focus on expanding current Mineral Resources.